Declassified in Part - Sanitized Copy Approved for Release 2012/08/15 : CIA-RDP99-01448R000301260048-5

UNITED PRESS INTERNATIONAL

4 February 1987

FILE ONLY

WASHINGTON

STAT

The CIA is punishing an operative in Central America for the second time in two years because of his efforts on behalf of Nicaraguan Contras that were approved in advance by superiors, intelligence sources say.

The employee, the CIA's station chief in Costa Rica, has been recalled to Washington and is being forced into early retirement for the latest incident involving the Contra rebels, a knowledgeable government source said Tuesday.

The source said the agent, known by the pseudonym <u>Tomas Castillo</u>, allegedly passed information on Nicaraguan troop positions to a private network helping the Contras last year, enabling cargo planes to pinpoint where and when to drop arms to the rebels at a time when U.S. military aid to them was illegal.

But Castillo was unusually careful to check his actions with superiors since being disciplined in November 1984, the source said - charging the new action was approved by acting director Robert Gates to protect more senior employees.

Gates, tapped Monday to succeed former CIA Director William Casey, reportedly authorized the disciplinary action in recent weeks as Casey has struggled to recover from brain cancer surgery.

Castillo reportedly was so upset last week about the pending action that he told associates he would discuss his role and that of his superiors in full with investigative authorities if asked, the source said.

CIA spokesman George Lauder would not comment Tuesday on whether the agency had taken any action against Castillo, but he denied the agent's efforts were approved by two superiors mentioned by intelligence sources. Lauder also said Castillo had done nothing illegal.

The government source said Castillo received approval for his communications about Sandinista troop movements from his superior, the task force chief in Nicaragua, and had kept both the supervisor and Lt. Col. Oliver North of the National Security Council informed of his efforts.

North, who reportedly helped coordinate efforts of the private U.S. network to supply weapons and ammunition to the rebels, was fired from the NSC Nov. 25 for his role in the Iran arms-Contra aid scandal.

Castillo was disciplined in 1984 for his role in drawing up a manual for the Contras that called for rebels to ''neutralize'' officials of the Sandinista government, the source said. The term ''neutralize'' has been widely interpreted to mean ''assassinate.''

Two of Castillo's superiors who planned and approved the manual - <u>Duane</u> Clarridge, who headed the agency's Central American operations, and <u>Ray Doty</u>, the CIA's paramilitary chief for Central America -- were not disciplined, two members of congressional intelligence committees said.

CIA spokeswoman Sharon Foster said the agency ''doesn't confirm or deny'' that Castillo was disciplined for his role in drawing up the manual. ''We've never had anything to say about the manual.'' she said.

Laws applying to Castillo's Contra aid efforts are ambiguous, administration and congressional sources agreed. From October 1984 to October 1986, Congress barred officials from ''directly or indirectly'' providing military aid to the rebels. But in 1985, officials were allowed to share intelligence with them.